

and records falsely described as a "referral fee" to the Palm Springs Law Firm regarding Schein Pharmaceutical.

Overt Acts Nos. 106-107: On or about the following dates, LAZAR caused the proceeds of the check described in Overt Act No. 105 to be used to make the following payments and credits, among others, for his benefit:

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 106	12/29/00	\$ 23,000	the Palm Springs Law Firm
No. 107	01/10/01	\$ 23,000	the Selzer Law Firm

Overt Act No. 108: On or about June 18, 2001, MILBERG WEISS and BERSHAD attempted to send to the Palm Springs Law Firm a \$133,000 check with a cover letter signed by BERSHAD falsely stating that the payment represented "your share of the fee in recognition of your participation in the fee in [Schein Pharmaceutical]."

Overt Act No. 109: On or about July 9, 2001, MILBERG WEISS and BERSHAD caused to be sent to the Palm Springs Law Firm a \$133,000 check, after the check described in Overt Act No. 108 had been returned to MILBERG WEISS because it was improperly addressed.

Overt Acts Nos. 110-112: On or about the following dates, LAZAR caused the proceeds of the check described in Overt Act No. 109 to be used to make the following payments and credits, among others, for his benefit:

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 110	07/11/01	\$ 95,795	the Palm Springs Law Firm
No. 111	07/18/01	\$ 35,000	the Selzer Law Firm

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 112	08/16/01	\$ 3,895	Lazar Intermediary B

B. Overt Acts in the Vogel Lawsuits

The Valero I Class Action

Overt Act No. 113: Prior to in or about August 1991, Partner E, acting in concert with BERSHAD, told Vogel that MILBERG WEISS would pay Vogel for serving as a named plaintiff in an action against Valero Energy Corporation.

Overt Act No. 114: On or about August 20, 1991, MILBERG WEISS, Partner E, and others caused to be filed with the court a class action complaint in Valero I, naming Vogel as a plaintiff, in which they falsely represented, among other things, that Vogel had "the same interests [in the outcome of the case] as the other members of the Class."

Overt Act No. 115: In or about mid-1992, BERSHAD and Partner E told Vogel that he needed to identify a lawyer through whom MILBERG WEISS would pay him, because MILBERG WEISS would not pay Vogel directly.

Overt Act No. 116: In or about mid-1992, following the discussion referenced in Overt Act No. 115, Vogel enlisted Vogel Intermediary A to receive monies from MILBERG WEISS on Vogel's behalf.

Overt Act No. 117: In or about mid-1992, during a meeting attended by, among others, BERSHAD, Partner E, and Vogel, BERSHAD told Vogel the following: (a) MILBERG WEISS would pay Vogel 14% of the attorneys' fees MILBERG WEISS obtained in Valero I; (b) MILBERG WEISS would also reimburse Vogel for losses that would be sustained by him in connection with the eventual

1 sale of his Valero securities; and (c) since Vogel had not yet
2 sold his Valero securities, MILBERG WEISS would pay him \$10,000
3 in anticipation of such losses.

4 Overt Act No. 118: On or about October 14, 1992,
5 MILBERG WEISS and Partner E sent to Vogel Intermediary A a
6 purported retainer agreement, which stated in part:

7 This will confirm that we have been retained by Howard
8 Vogel . . . to prosecute a class action [against]
9 Valero Natural Gas Partners L.P., and a derivative
10 action on behalf of the partnership. On the basis of
11 your efforts in this matter and your having shared in
12 the work and responsibility in this matter, we will
13 pool all fees awarded to us and you shall receive 14%
14 (fourteen percent) of the fees so awarded plus \$10,000.

15 Overt Act No. 119: On or about October 16, 1992,
16 MILBERG WEISS, Partner E, and others caused the court to certify
17 Valero I as a class action, approve Vogel and his wife as class
18 representatives, and preliminarily approve a proposed settlement
19 of Valero I.

20 Overt Act No. 120: On or about November 23, 1992,
21 MILBERG WEISS, Partner E, and others caused the court to award
22 approximately \$4.75 million in attorneys' fees and expenses in
23 Valero I.

24 Overt Act No. 121: On or about December 28, 1992,
25 MILBERG WEISS, Partner E, and others caused to be sent to Vogel
26 Intermediary A a check in the amount of \$637,223, representing
27 Vogel's share of the attorneys' fees awarded in Valero I, plus an
28 additional \$10,000.

29 Overt Act No. 122: In or about January 1993, Vogel
30 caused Vogel Intermediary A to transfer to Vogel substantially
31 all of the proceeds of the check described in Overt Act No. 121.

The Valero II Class Action

Overt Act No. 123: On or about October 15, 1993, MILBERG WEISS, Partner E, and others caused to be filed with the court a class action complaint in Valero II, naming Vogel as a plaintiff, in which they falsely alleged, among other things, that Vogel had "the same interests [in the outcome of the case] as other members of the Class."

Overt Act No. 124: On or about March 13, 1994, after Vogel sold his Valero securities at a \$27,600 loss, Vogel sent to MILBERG WEISS and Partner E a letter requesting that MILBERG WEISS "add the sum of \$17,600" to Vogel's expected payment in Valero II, explaining that "[i]t was Dave Bershad's position in late 1992 that since no loss was actually incurred, a contribution to the unknown future loss would be \$10,000," and asserting that the remaining \$17,600 loss was "real money - no different than the out of pocket disbursements that your firm incurs to maintain the case."

Overt Act No. 125: On or about May 23, 1994, MILBERG WEISS, Partner E, and others caused Vogel to sign an under-oath affidavit, to be filed with the court in support of a proposed settlement of Valero II, in which Vogel falsely stated, among other things, "I have no claim or interest of any kind [in the outcome of the case] that is adverse to Valero Partners or its public unitholders . . . nor do I have any conflict of interest of any kind that precludes me from bringing or settling this action."

Overt Act No. 126: On or about May 31, 1994, MILBERG WEISS, Partner E, Vogel, and others caused the court to approve a

1 settlement in Valero II, and to award approximately \$1.2 million
2 in attorneys' fees and expenses.

3 Overt Act No. 127: On or about June 2, 1993,
4 MILBERG WEISS, Partner E, and others caused to be telefaxed to
5 Vogel Intermediary A a letter stating, "As Howard Vogel's
6 referring attorney you will receive 14% of the legal fee that is
7 paid to my firm, [MILBERG WEISS]."

8 Overt Act No. 128: On or about July 18, 1994,
9 MILBERG WEISS, Partner E, and others caused to be sent to Vogel
10 Intermediary A a check in the amount of \$69,860.89, with a cover
11 letter signed by Partner E falsely describing the payment as
12 "your firm's referral fee" in Valero II.

13 Overt Act No. 129: On or about July 26, 1994, Vogel
14 caused Vogel Intermediary A to wire transfer to Vogel
15 approximately \$69,848.39 of the proceeds of the check described
16 in Overt Act No. 128.

17 **The Oxford Health Class Action**

18 Overt Act No. 130: Prior to in or about October 1997,
19 Vogel read a research report that contained negative financial
20 analysis about Oxford Health Plans, Inc. ("Oxford Health").

21 Overt Act No. 131: On or about October 8, 1997, Vogel
22 caused a trust of which he was the sole trustee (the "Howard
23 Vogel Retirement Plan," hereinafter referred to as "HVRP") to
24 purchase 50 shares of Oxford Health stock for the purpose of
25 positioning HVRP to be a named plaintiff in a securities fraud
26 class action lawsuit to be brought by MILBERG WEISS against
27 Oxford Health.

28 / / /

1

Overt Act No. 132: On or about October 31, 1997, MILBERG WEISS, Partner E, and others caused Vogel to sign under penalty of perjury a certification, be filed with the court in Oxford Health, in which Vogel falsely stated, among other things, that HVRP did not purchase Oxford Health "in order to participate in any private action arising under the federal securities laws," and would "not accept any payment for serving as a representative party on behalf of a class beyond plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class as ordered or approved by the Court."

12

Overt Act No. 133: On or about October 31, 1997, MILBERG WEISS, Partner E, Vogel, and others caused to be filed with the court a class action complaint in Oxford Health, naming HVRP as a plaintiff, in which they falsely alleged, among other things, that HVRP's claims were "typical of the claims of the members of the Class."

18

Overt Act No. 134: In or about November 1997, Partner E told Vogel that because Oxford Health was so large, and MILBERG WEISS would have other payment obligations in the case, Vogel's payment would be less than his usual percentage of MILBERG WEISS's attorneys' fees.

23

Overt Act No. 135: Sometime in or about 1999, Partner E told VOGEL that he was leaving MILBERG WEISS, and that Vogel's payment arrangements would thereafter be handled by SCHULMAN.

26

Overt Act No. 136: On or about June 27, 2003, MILBERG WEISS obtained approximately \$40.0 million of the attorneys' fees awarded in Oxford Health.

28

1
2 Overt Act No. 137: In or about September 2003, SCHULMAN
3 told Vogel to have Vogel Intermediary A call Partner A to
4 negotiate the amount of Vogel's payment in Oxford Health and the
5 Baan class action (in which Vogel had arranged for his step-son
6 to serve as a named plaintiff for MILBERG WEISS).

7 Overt Act No. 138: On or about September 20, 2003,
8 Vogel sent SCHULMAN a memorandum stating, in part:

9 "As we discussed, enclosed is material from 1997/1998
10 relating to my role as initiating plaintiff in the
11 Oxford and Baan cases. My dealings with [MILBERG
12 WEISS] in those years centered around [Partner E].

13 My attorney, who previously represented me in the two
14 Valero cases (working with [Partner E]) is [Vogel
15 Intermediary A]

16 [Vogel Intermediary A] will call [secretary of Partner
17 A] to arrange a call with [Partner A] to discuss the
18 Oxford case only."

19 Overt Act No. 139: On or about October 15, 2003, Vogel
20 sent, to Partner A's secretary, a copy of the memorandum
21 referenced in Overt Act No. 138, annotated to clarify that the
22 discussion with Partner A would include the Baan class action as
23 well as Oxford Health.

24 Overt Act No. 140: In or about October 2003, SCHULMAN
25 told Vogel that Partner A refused to engage in substantive
26 discussions with Vogel Intermediary A on the telephone, but
27 instead insisted on meeting Vogel Intermediary A in person at
28 MILBERG WEISS's offices in New York to discuss Vogel's payments
in Oxford Health and Baan.

Overt Act No. 141: On or about November 10, 2003,
Partner A met with Vogel Intermediary A at MILBERG WEISS's
New York offices and agreed that MILBERG WEISS would pay Vogel a
percentage of its attorneys' fees obtained in connection with

1 Oxford Health and Baan.

2 Overt Act No. 142: On or about December 18, 2003,
3 MILBERG WEISS, SCHULMAN, Partner A, and others caused to be sent
4 to Vogel Intermediary A a \$1.1 million check, with a cover letter
5 signed by SCHULMAN falsely stating, "Enclosed please find a check
6 in the amount of \$1,100,000.00, reflecting your share of court
7 ordered attorneys' fees in consideration of your work, services
8 and joint representation of our clients in connection with
9 [Oxford Health]."

10 Overt Act No. 143: On or about December 18, 2003,
11 MILBERG WEISS, SCHULMAN, Partner A, and others also caused to be
12 sent to Vogel Intermediary A a \$120,000 check, with a cover
13 letter signed by SCHULMAN falsely stating, "Enclosed please find
14 a check in the amount of \$120,000.00, reflecting your share of
15 court ordered attorneys' fees in consideration of your work,
16 services and joint representation of our clients in connection
17 with [Baan]."

18 Overt Act No. 144: On or about January 8, 2004, Vogel
19 caused Vogel Intermediary A to wire transfer approximately
20 \$1,205,932.37 of the proceeds of the checks described in Overt
21 Acts Nos. 142 and 143 to a bank account controlled by Vogel.

22 **The Infinity Broadcasting Class Action**

23 Overt Act No. 145: On or about June 14, 2000, after
24 learning that Viacom, Inc. ("Viacom"), might attempt to acquire
25 the publicly held shares of Infinity Broadcasting Corp.
26 ("Infinity Broadcasting"), in which Viacom held a majority
27 interest, Vogel caused his wife to purchase 100 shares of
28 Infinity Broadcasting to position her to serve as a named

1
2 plaintiff in a potential "transaction case" to be brought against
3 Infinity Broadcasting by MILBERG WEISS.

4 Overt Act No. 146: On or about June 14, 2000, Vogel
5 wrote a letter to SCHULMAN stating, among other things, "As we
6 just discussed, [Vogel's wife] owns shares of Infinity
7 Broadcasting" and "I feel that a complaint should be drafted and
8 ready to go."

9 Overt Act No. 147: On or about August 15, 2000, the
10 same day that Viacom announced a proposed acquisition by merger
11 of the publicly owned shares of Infinity Broadcasting,
12 MILBERG WEISS, SCHULMAN, and others caused to be filed a class
13 action complaint in Infinity Broadcasting, naming Vogel's wife as
14 a plaintiff.

15 Overt Act No. 148: On or about August 23, 2001, during
16 an under-oath deposition taken of him by an Infinity Broadcasting
17 shareholder who objected to the proposed settlement of Infinity
18 Broadcasting and the adequacy of Vogel's wife as a representative
19 plaintiff, SCHULMAN falsely stated that no promises had been made
20 to Vogel's wife "in the context of any benefit that she might
21 receive that the class would not receive" in Infinity
22 Broadcasting, and that he was "not . . . aware" of any such
23 promises being made in "any other case."

24 Overt Act No. 149: On or about September 14, 2001,
25 MILBERG WEISS, SCHULMAN, Vogel, and others caused Vogel's wife to
26 sign an under-oath affidavit, to be filed with the court in
27 support of a proposed settlement of Infinity Broadcasting, which
28 falsely stated, among other things, "I have no claim or interest
that is adverse to Infinity or its public shareholders."

1

2 Overt Act No. 150: On or about October 29, 2001,
3 MILBERG WEISS, SCHULMAN, and others caused the court, among other
4 things, to certify Infinity Broadcasting as a class action; to
5 approve Vogel's wife and others as a class representative; to
6 approve MILBERG WEISS as class co-counsel; to approve the
7 proposed settlement in Infinity Broadcasting; and to award \$2.5
8 million in attorneys' fees.

9 Overt Act No. 151: On or about March 13, 2003, SCHULMAN
10 directed an employee in MILBERG WEISS's accounting department to
11 draft a check to Vogel Intermediary B for 12% of the attorneys'
12 fees MILBERG WEISS obtained in Infinity Broadcasting.

13 Overt Act No. 152: On or about March 17, 2003,
14 MILBERG WEISS, SCHULMAN, Vogel, and others caused to be sent to
15 Vogel Intermediary B an \$86,923 check, along with a cover letter
16 signed by SCHULMAN falsely disguising the check as a payment to
17 Vogel Intermediary B "in consideration of [Vogel Intermediary
18 B's] work, services, and joint representation of our clients" in
19 Infinity Broadcasting.

20 Overt Act No. 153: On or about March 24, 2003, Vogel
21 caused Vogel Intermediary B to send to him most of the proceeds
22 from the check described in Overt Act No. 152 and from a
23 MILBERG WEISS payment that had been made in connection with
24 another Vogel Lawsuit.

25 Other Overt Acts in the Vogel Lawsuits

26 Overt Act No. 154: In or about 1996, during a meeting
27 at MILBERG WEISS's New York offices, Partner E handed to Vogel a
28 substantial amount of cash, which he had obtained from BERSHAD,
as a secret kickback to Vogel for causing his wife to serve as a

1 named plaintiff in Mercer.

2 Overt Act No. 155: On or about July 21, 1998, Vogel,
3 acting in concert with MILBERG WEISS and others, in an under-oath
4 deposition taken in the Vogel Lawsuit Howard Vogel, et al. v.
5 Marvin A Pomerantz, et al., C.A. No. 14722 (later consolidated
6 into In re Gaylord Container Corp. Shareholders Litigation,
7 Consolidated Civil Action No. 14616 (Del. Chancery Ct.) ("Gaylord
8 Container"), refused to answer questions he was asked concerning
9 his income or sources of income.

10 Overt Act No. 156: In or about early 2000, after
11 Partner E had left MILBERG WEISS, SCHULMAN told Vogel that he
12 would not receive 14% of MILBERG WEISS's attorneys' fees in
13 future cases in which Vogel was a named plaintiff, and instead
14 would receive no more than 12% of MILBERG WEISS's attorneys'
15 fees.

16 Overt Act No. 157: In or about early December 2000,
17 MILBERG WEISS, BERSHAD, and SCHULMAN reaffirmed that Vogel would
18 receive 12% of MILBERG WEISS' attorneys' fees in Vastar and
19 thereafter caused to be sent to Vogel Intermediary B a check in
20 the amount of \$94,000, made payable to "[Vogel Intermediary B]
21 IOLA."

22 Overt Act No. 158: On or about December 12, 2000, Vogel
23 caused Vogel Intermediary B to pay Vogel \$93,000 of the proceeds
24 of the check described in Overt Act No. 157.

25 Overt Act No. 159: On or about March 15, 2003, Vogel
26 sent to SCHULMAN an "inventory" of all "transaction cases" in
27 which Vogel, his wife, or HVRP were prepared to serve as named
28 plaintiffs.

1
2 Overt Act No. 160: In or about late 2002, Vogel asked
3 SCHULMAN when he would receive his share of the attorneys' fees
4 that had been awarded to MILBERG WEISS in Future Healthcare.

5 Overt Act No. 161: On or about March 21, 2003,
6 MILBERG WEISS, SCHULMAN, and others caused to be sent to Vogel
7 Intermediary B a check in the amount of \$68,993.70, which was 12%
8 of MILBERG WEISS's attorneys' fees in Future Healthcare.

9 Overt Act No. 162: On or about April 9, 2003,
10 MILBERG WEISS, SCHULMAN, and others caused Vogel to sign a
11 certification under penalty of perjury, to be filed with the
12 court in the Vogel Lawsuit Howard Vogel v. CIT Group Inc., et
13 al., 93-CV-2471-JES (United States District Court, Southern
14 District of New York) ("CIT"), in which Vogel falsely stated,
15 among other things, that he would "not accept any payment for
16 serving as a representative party of behalf of a class beyond
17 plaintiff's pro rata share of any recovery, except such
18 reasonable costs and expenses (including lost wages) directly
19 relating to the representation of the Class as ordered or
20 approved by the Court."

21 Overt Act No. 163: On or about April 16, 2003, Vogel
22 caused Vogel Intermediary B to send him \$67,993.70 of the
23 proceeds of the check described in Overt Act No. 161.

24 Overt Act No. 164: On or about May 24, 2004,
25 MILBERG WEISS, SCHULMAN, and others caused Vogel to sign a
26 certification under penalty of perjury, to be filed with the
27 court in the Vogel Lawsuit Howard Vogel v. The Bisys Group Inc.,
28 et al., 04-CV-4048-LTS (United States District Court, Southern
District of New York ("Bisys"), in which Vogel falsely stated,

1 among other things, that he "did not acquire the BISYS Group,
2 Inc. . . . stock at the direction of plaintiff's counsel or in
3 order to participate in any private action under the federal
4 securities laws," and would "not accept any payment for serving
5 as a representative party beyond my pro rata share of any
6 recovery, except reasonable costs and expenses, such as lost
7 wages and travel expenses, directly related to the class
8 representation, as ordered or approved by the court pursuant to
9 law."

10 Overt Act No. 165: On or about July 26, 2004,
11 MILBERG WEISS, SCHULMAN, and others caused Vogel to sign a
12 certification under penalty of perjury, to be filed with the
13 court in the Vogel Lawsuit Howard Vogel v. KVH Industries Inc.,
14 et al., 04-CV-320-ML ("KVH"), in which Vogel falsely stated,
15 among other things, that he would "not accept any payment for
16 serving as a representative party beyond my pro rata share of any
17 recovery, except reasonable costs and expenses, such as lost
18 wages and travel expenses, directly related to the class
19 representation, as ordered or approved by the court pursuant to
20 law."

21 Overt Act No. 166: On or about September 23, 2004,
22 MILBERG WEISS, SCHULMAN, and others caused Vogel to sign an
23 under-oath affidavit, to be filed with the court in support of a
24 proposed settlement of U.S. Oncology, falsely stating, among
25 other things, "I have no claim or interest of any kind that is
26 adverse to [U.S. Oncology] shareholders . . . nor do I have any
27 conflict of interest of any kind that would preclude me from
28 bringing and prosecuting [U.S. Oncology] as a class action."

1
2 Overt Act No. 167: On or about February 27, 2005,
3 MILBERG WEISS, SCHULMAN, Vogel, and others caused Vogel's wife to
4 sign an under-oath affidavit, to be filed with the court in
5 support of a proposed settlement of BarnesandNoble.com, falsely
6 stating, among other things, "I have no claim or interest of any
7 kind that is adverse to [BarnesandNoble.com] shareholders . . .
8 nor do I have any conflict of interest of any kind that would
9 preclude me from bringing and prosecuting [BarnesandNobel.com] as
10 a class action."

11 Overt Act No. 168: On or about May 19, 2005,
12 MILBERG WEISS, SCHULMAN, and others caused to be sent to Vogel
13 Intermediary A a check in the amount of \$10,800.67, along with a
14 cover letter signed by SCHULMAN falsely stating that the check
15 was Vogel Intermediary A's "referral fees" in connection with
16 BarnesandNoble.com.

17 Overt Act No. 169: On or about June 20, 2005, Vogel
18 caused Vogel Intermediary A to forward to an account controlled
19 by Vogel approximately \$10,320.80 of the proceeds of the check
20 described in Overt Act No. 168.

21 Overt Act No. 170: On or about September 13, 2005,
22 MILBERG WEISS, SCHULMAN, and others caused Vogel to sign on
23 behalf of HVRP an under-oath affidavit, to be filed with the
24 court in support of a proposed settlement of the Vogel Lawsuit
25 In re Fox Entertainment Group, Inc. Shareholders Litigation,
26 Consolidated Case No. 1033-N (Del. Chancery Ct.) ("Fox"), falsely
27 stating, among other things, "I have no claim or interest of any
28 kind that is adverse to [Fox Entertainment Group] shareholders .
 . . nor do I have any conflict of interest of any kind that would

1
2 preclude me from bringing and prosecuting [Fox] as a class
3 action."

4 C. Overt Acts in the Cooperman Lawsuits

5 The Newhall Land Class Action

6 Overt Act No. 171: On or about April 19, 1988
7 MILBERG WEISS, Partner B, and others caused to be filed a
8 verified derivative and class action complaint in Newhall Land,
9 naming Cooperman and Cooperman Plaintiff 1 as plaintiffs, in
10 which they represented that "Plaintiffs . . . do not have
11 interests antagonistic to or in conflict with those they
12 represent as class representatives."

13 Overt Act No. 172: Between in or about April and
14 November 1988, Cooperman told Cooperman Plaintiff 1 that
15 MILBERG WEISS would pay them a percentage of MILBERG WEISS's fee
16 in Newhall Land.

17 Overt Act No. 173: On or about November 8, 1988,
18 MILBERG WEISS, Partner B, and others caused the court to approve
19 a settlement of Newhall Land, which provided for an attorneys'
20 fees award in the amount of \$1,797,891.70 plus interest.

21 Overt Act No. 174: In or about early 1989, Partner B
22 told Cooperman and Cooperman Plaintiff 1 that they could receive
23 approximately 5% to 10% of MILBERG WEISS's attorneys' fees in
24 Newhall Land; that MILBERG WEISS would pay Cooperman and
25 Cooperman Plaintiff 1 5% to 10% of MILBERG WEISS's attorneys'
26 fees in future cases that they brought to the firm; and that
27 Cooperman and Cooperman Plaintiff 1 should purchase stocks in
28 companies in order to position them and MILBERG WEISS to file
lawsuits in the future.

1
2 Overt Act No. 175: In or about early 1989, Cooperman
3 gave to Cooperman Plaintiff 1 a check that Cooperman Plaintiff 1
4 understood to be his share of the amount MILBERG WEISS paid to
5 Cooperman in Newhall Land.

6 The Jan Bell Class Action

7 Overt Act No. 176: On or about March 7, 1990,
8 MILBERG WEISS and others caused to be filed a class action
9 complaint in the Jan Bell lawsuit, naming Cooperman as a
10 plaintiff.

11 Overt Act No. 177: On or about March 22, 1991, in an
12 under oath deposition in Jan Bell, Cooperman falsely testified,
13 among other things, that in other lawsuits in which he had been a
14 named plaintiff for MILBERG WEISS he had never received any money
15 other than his shareholder portion of the settlements, and that
16 "whatever the court awards as compensation or a judgment," he
17 would "collect [his] share based on how much stock [he] bought."

18 Overt Act No. 178: On or about July 21, 1992,
19 MILBERG WEISS and BERSHAD caused to be sent to Cooperman
20 Intermediary A a \$19,363 check, with a cover letter that falsely
21 stated that the payment was to Cooperman Intermediary A "in
22 consideration of your consultation and referral of Dr. Cooperman
23 to our firm."

24 Overt Act No. 179: In or about July 1992, Cooperman
25 caused Cooperman Intermediary A to use the proceeds of the check
26 described in Overt Act No. 178 to satisfy legal fees Cooperman
27 owed to Cooperman Intermediary A.

28 / / /

 / / /

1

The American Continental/Lincoln Savings Class Action

2

3

4

5

6

Overt Act No. 180: On or about January 30, 1989, acting in consultation with Partner B, Cooperman Plaintiff 1 purchased 100 shares of stock in American Continental Corporation for the purpose of positioning MILBERG WEISS and himself to file a class action lawsuit.

7

8

9

10

Overt Act No. 181: On or about April 24, 1989, MILBERG WEISS, Partner B, and others caused to be filed a class action complaint in American Continental/Lincoln Savings, naming Cooperman Plaintiff 1 as a plaintiff.

11

12

13

14

15

16

17

Overt Act No. 182: On or about October 12, 1989, MILBERG WEISS, Partner B, and others caused to be falsely represented to the court in support of a motion for class certification in American Continental/Lincoln Savings, among other things, that the interests of Cooperman Plaintiff 1 "do not in any manner conflict with, nor are they antagonistic to, those of the class."

18

19

20

21

22

23

24

Overt Act No. 183: On or about November 2, 1989, Cooperman Plaintiff 1, acting in concert with MILBERG WEISS, Partner B, and others, subscribed under penalty of perjury to Answers to Interrogatories in American Continental/Lincoln Savings, which falsely concealed that Partner B had discussed with Cooperman Plaintiff 1 purchasing ACC stock to position MILBERG WEISS to file a lawsuit.

25

26

27

28

Overt Act No. 184: On or about April 22, 1991, in an under oath deposition in American Continental/Lincoln Savings, Cooperman Plaintiff 1, acting in concert with MILBERG WEISS and others, falsely stated, among other things, that he would not

1
2 receive any payment from any source in exchange for serving as a
3 named plaintiff in the American Continental/Lincoln Savings
4 lawsuit, and that he did not receive any compensation in Newhall
5 Land beyond that which he received as a member of the class.

6 Overt Act No. 185: In or about October 1992, Cooperman
7 told Cooperman Intermediary A that MILBERG WEISS would be sending
8 Cooperman Intermediary A a substantial amount of money, which was
9 Cooperman's share of MILBERG WEISS's attorneys' fees in American
10 Continental/Lincoln Savings.

11 Overt Act No. 186: On or about October 21, 1992,
12 BERSHAD sent to Cooperman Intermediary A a \$440,000 check,
13 accompanied by a cover letter falsely stating the check was
14 Cooperman Intermediary A's "compensation for work and
15 responsibility in our most recent endeavor."

16 Overt Act No. 187: On or about October 23 1992,
17 Cooperman caused Cooperman Intermediary A to forward \$215,000 of
18 the proceeds of the check described in Overt Act No. 186 to
19 Cooperman.

20 Overt Act No. 188: On or about October 26, 1992,
21 Cooperman paid Cooperman Plaintiff 1 \$129,000 of the proceeds of
22 the check described in Overt Act No. 186.

23 **The Fairfield Communities Class Action**

24 Overt Act No. 189: On or about June 29, 1990,
25 MILBERG WEISS and others caused to be filed with the court a
26 class action complaint in Fairfield Communities, naming Cooperman
27 as a plaintiff.

28 Overt Act No. 190: On or about November 29, 1990,
Cooperman, acting in concert with MILBERG WEISS, subscribed under

1
2 penalty of perjury to Answers to Interrogatories in Fairfield
3 Communities, falsely stating, among other things, that Cooperman
4 had "at no time received any bonus or incentive payment as a
5 result of being named as a plaintiff in any class or derivative
6 actions."

7 Overt Act No. 191: On or about July 17, 1990, in an
8 under oath deposition in Fairfield Communities, Cooperman, acting
9 in concert with MILBERG WEISS and others, falsely denied that he
10 had received any benefit in connection with Newhall Land other
11 than those paid to all shareholders.

12 Overt Act No. 192: On or about July 16, 1993, SCHULMAN
13 represented to the Court, in support of a request for attorneys'
14 fees in Fairfield Communities, that MILBERG WEISS was not seeking
15 any incentive bonus award on behalf of Cooperman, and that
16 Cooperman was "satisfied to participate as a class member in the
17 recovery of his claim."

18 Overt Act No. 193: On or about August 10, 1993,
19 MILBERG WEISS obtained approximately \$249,962.69 in attorneys'
20 fees in Fairfield Communities.

21 Overt Act No. 194: On or about August 16, 1993,
22 MILBERG WEISS and BERSHAD caused to be sent to Cooperman
23 Intermediary A a \$24,996.27 check, along with a cover letter
24 signed by BERSHAD falsely stating that the check "represents your
25 interest in the fee earned by my firm in" Fairfield Communities.

26 Overt Act No. 195: In or about October 1993, Cooperman
27 caused Cooperman Intermediary A to use the proceeds of the check
28 described in Overt Act No. 194 to satisfy legal fees Cooperman
owed to Cooperman Intermediary A.

The Columbia Savings Class Action

Overt Act No. 196: On or about November 9, 1989, MILBERG WEISS and others caused to be filed a class action complaint in Columbia Savings, naming Cooperman as a plaintiff.

Overt Act No. 197: On or about January 11, 1990, MILBERG WEISS, Partner B, and others caused to be falsely represented to the court in Columbia Savings, in support of a motion for class certification, that the interests of Cooperman in the lawsuit "do not in any manner conflict with, nor are they antagonistic to, those of the class."

Overt Act No. 198: On or about February 28, 1990, Cooperman, acting in concert with MILBERG WEISS, Partner B, and others, subscribed under penalty of perjury to interrogatory responses in Columbia Savings in which, among other things, he falsely stated in response to a question whether he had any "agreement, arrangement, expectation, intention, or understanding . . . with respect to receiving any payment or consideration different from the payment or consideration that may be received by other members of the putative class as a result of this litigation" the following: "I will not be treated differently than any other class member regarding any recovery."

Overt Act No. 199: On or about June 28, 1990, in an under oath deposition in the Columbia Savings lawsuit, Cooperman, acting in concert with MILBERG WEISS and others, concealed his kickback arrangement with MILBERG WEISS.

Overt Act No. 200: On or about December 28, 1993, MILBERG WEISS obtained approximately \$3,926,452 in attorneys' fees in Columbia Savings.

1
2 Overt Act No. 201: On or about March 31, 1994,
3 MILBERG WEISS and BERSHAD caused to be sent to Cooperman
4 Intermediary A a \$200,000 check, along with a cover letter signed
5 by BERSHAD falsely describing the payment as "a portion of your
6 entitlement" to the attorneys' fees in Columbia Savings.

7 Overt Act No. 202: In or about April 1994, Cooperman
8 caused Cooperman Intermediary A to use the proceeds of the check
9 described in Overt Act No. 201 to satisfy legal fees Cooperman
10 owed to Cooperman Intermediary A.

11 Overt Act No. 203: On or about July 26, 1994,
12 MILBERG WEISS obtained approximately \$8,210,164 in attorneys'
13 fees in Columbia Savings.

14 Overt Act No. 204: On or about July 27, 1994,
15 MILBERG WEISS and BERSHAD caused to be sent to Cooperman
16 Intermediary A a \$200,000 check, along with a cover letter signed
17 by BERSHAD falsely representing the payment to be "your current
18 entitlement" to the attorneys' fees in Columbia Savings.

19 Overt Act No. 205: In or about July 1994, Cooperman
20 caused Cooperman Intermediary A to use the proceeds of the check
21 described in Overt Act No. 204 to satisfy legal fees Cooperman
22 owed to Cooperman Intermediary A.

23 Overt Act No. 206: On or about September 22, 1994,
24 MILBERG WEISS and BERSHAD caused to be sent to Cooperman
25 Intermediary A a \$191,278 check, along with a cover letter signed
26 by BERSHAD describing the payment to be "in furtherance of our
27 prior arrangement" concerning Columbia Savings.

28 Overt Act No. 207: In or about September 1994,
Cooperman caused Cooperman Intermediary A to use the proceeds of

1
2 the check described in Overt Act No. 206 to satisfy legal fees
3 Cooperman owed to Cooperman Intermediary A.

4 **The SCI-Television Class Action**

5 Overt Act No. 208: On or about March 10, 1994,
6 MILBERG WEISS, Partner B, and others caused to be filed a
7 verified class action complaint in SCI-Television, naming
8 Cooperman as a plaintiff, in which they falsely represented,
9 among other things, that Cooperman did "not have interests
10 antagonistic to or in conflict with those he represents as a
11 class representative."

12 Overt Act No. 209: On or about March 21, 1994, in an
13 under oath deposition in SCI-Television, Cooperman falsely stated
14 that he had never been compensated for appearing as a plaintiff
15 in a class action case.

16 Overt Act No. 210: On or about November 11, 1994,
17 Cooperman, acting in concert with MILBERG WEISS and others,
18 executed a declaration under penalty of perjury to be filed with
19 the court in SCI-Television, which falsely stated, among other
20 things, that there were no legal differences in Cooperman's
21 status as a class member and those of other persons within the
22 class; there were no unique legal issues pertaining to Cooperman
23 as a class representative; and Cooperman "anticipate[d] receiving
24 [his] pro rata share, and no more, of the damages received by
25 this class."

26 Overt Act No. 211: On or about November 1, 1995,
27 MILBERG WEISS and BERSHAD caused to be sent to Cooperman
28 Intermediary A a \$100,000 check, with a cover letter signed by

1 BERSHAD falsely describing the check as a payment "towards your
2 participation" in SCI-Television.

3 Overt Act No. 212: On or about November 2, 1995,
4 MILBERG WEISS obtained approximately \$3,218,329.50 in attorneys'
5 fees in SCI-Television.

6 Overt Act No. 213: On or about November 16, 1995,
7 MILBERG WEISS and BERSHAD caused to be sent to Cooperman
8 Intermediary A an \$81,846 check, with a cover letter signed by
9 BERSHAD falsely describing the payment as being "with regard to
10 your participation as counsel in [SCI Television]."

11 Overt Act No. 214: In or about November 1995, Cooperman
12 caused Cooperman Intermediary A to use the proceeds of the checks
13 described in Overt Acts Nos. 211 and 213 to satisfy legal fees
14 Cooperman owed to Cooperman Intermediary A.

15 **The Community Psychiatric Class Action**

16 Overt Act No. 215: On or about September 30, 1991,
17 MILBERG WEISS and others known and unknown to the Grand Jury
18 caused to be filed a class action complaint in Community
19 Psychiatric, naming Cooperman as a plaintiff, in which they
20 falsely represented, among other things, that Cooperman had "no
21 interest which is contrary to or in conflict with those of the
22 class [he] seek[s] to represent."

23 Overt Act No. 216: On or about February 16, 1996,
24 MILBERG WEISS obtained approximately \$4,123,000 in attorneys'
25 fees in Community Psychiatric.

26 Overt Act No. 217: On or about November 11, 1996,
27 MILBERG WEISS and BERSHAD caused to be issued to Cooperman a
28

1
2 \$114,891.50 check, made payable to Cooperman Intermediary B,
3 relating to Community Psychiatric.

4 Overt Act No. 218: On or about November 14, 1996,
5 Cooperman deposited the check described in Overt Act No. 217 into
6 his personal bank account.

7 **The Heart Technology Class Action**

8 Overt Act No. 219: On or about August 11, 1995,
9 Cooperman Plaintiff 2 purchased 100 shares of stock in
10 Heart Technology Inc., for the purpose of positioning
11 MILBERG WEISS and himself to file a lawsuit.

12 Overt Act No. 220: On or about August 30, 1995,
13 MILBERG WEISS, BERSHAD, SCHULMAN, and others known and unknown to
14 the Grand Jury caused to be filed a class action complaint in
15 Heart Technology, naming Cooperman Plaintiff 2 as a plaintiff.

16 Overt Act No. 221: On or about March 13, 1997,
17 Cooperman Plaintiff 2, acting in concert with MILBERG WEISS and
18 others, subscribed under penalty of perjury to an affirmation in
19 which he falsely stated that he had "no claim or interest that is
20 adverse to Heart [Technology] or its stockholders."

21 Overt Act No. 222: On or about May 5, 1997,
22 MILBERG WEISS obtained approximately \$198,589.63 in attorneys'
23 fees in Heart Technology.

24 Overt Act No. 223: On or about May 6, 1997,
25 MILBERG WEISS, BERSHAD, and others caused to be sent to Cooperman
26 a check payable to Cooperman Intermediary A in the amount of
27 \$19,858.96, representing 10% of the fees awarded in Heart
28 Technology.

29 / / /

1
2 Overt Act No. 224: On or about May 8, 1997, Cooperman
3 caused to be deposited the check described in Overt Act No. 223
4 into his personal bank account.

5 Overt Act No. 225: On or about May 14, 1997, Cooperman
6 caused to be sent to Cooperman Intermediary A a check in the
7 amount of \$19,858.96.

8 Overt Act No. 226: In or about May 1997, Cooperman
9 caused Cooperman Intermediary A to use proceeds of the check
10 described in Overt Act No. 225 to satisfy legal fees owed to
11 Cooperman Intermediary A's law firm by Cooperman.

12 Overt Act No. 227: On or about October 3, 1997,
13 Cooperman caused Cooperman Intermediary A to pay Cooperman
14 Plaintiff 2 \$10,000, representing Cooperman Plaintiff 2's share
15 of the MILBERG WEISS kickback in Heart Technology.

16 **Other Overt Acts in the Cooperman Lawsuits**

17 Overt Act No. 228: On or about March 27, 1989,
18 MILBERG WEISS, BERSHAD, SCHULMAN, and others caused to be sent to
19 Cooperman Brother-in-Law B a letter, signed by SCHULMAN, falsely
20 characterizing Cooperman's brother-in-law as a "consultant" to
21 MILBERG WEISS in a case called "Liberty All-Star Equity Fund."

22 Overt Act No. 229: On or about March 29, 1989,
23 MILBERG WEISS, BERSHAD, and others caused to be sent to Cooperman
24 Brother-in-Law B a \$35,000 check, with a cover letter signed by
25 BERSHAD falsely describing the payment as Cooperman's Brother-in-
26 Law B's "retainer with work performed and to be performed with
27 regard to [Liberty All-Star]."

28 Overt Act No. 230: On or about April 21, 1989,
MILBERG WEISS, BERSHAD, and others caused to be sent to Cooperman

1
2 Brother-in-Law B a \$25,000 check, with a cover letter signed by
3 BERSHAD falsely describing the payment as Cooperman's Brother-in-
4 Law B's "retainer" in a case called "Brinkmann Instruments,
5 Inc.."

6 Overt Act No. 231: On or about May 17, 1989,
7 MILBERG WEISS, BERSHAD, and others caused to be sent to Cooperman
8 Brother-in-Law B a \$40,000 check, with a cover letter signed by
9 BERSHAD falsely describing the payment as Cooperman's Brother-in-
10 Law B's "retainer payment" in a case called "MDC Corporation."

11 Overt Act No. 232: On or about May 19, 1989,
12 MILBERG WEISS, BERSHAD, and others caused to be sent to Cooperman
13 Brother-in-Law B a \$40,000 check, with a cover letter signed by
14 BERSHAD falsely describing the payment as Cooperman's Brother-in-
15 Law B's "retainer payment" in a case called "Imperial Bank."

16 Overt Act No. 233: On or about June 19, 1989, Cooperman
17 caused Cooperman Brother-in-Law B to pay \$65,000 of the proceeds
18 of the MILBERG WEISS checks described in Overt Acts Nos. 230-232
19 to a company controlled by Cooperman.

20 Overt Act No. 234: On or about June 24, 1989, Cooperman
21 caused Cooperman Brother-in-Law B to pay \$60,000 of the proceeds
22 of the MILBERG WEISS checks described in Overt Acts Nos. 230-232
23 to a company controlled by Cooperman.

24 Overt Act No. 235: On or about August 17, 1989,
25 MILBERG WEISS, BERSHAD, and others caused to be sent to Cooperman
26 Brother-in-Law B a \$10,000 check, with a cover letter signed by
27 BERSHAD falsely describing the entirety of the payment as
28 Cooperman Brother-in-Law B's "retainer" in a case called
"Citytrust Litigation."

1
2 Overt Act No. 236: On or about August 28, 1989,
3 Cooperman caused Cooperman Brother-in-Law B to pay \$10,000 of the
4 proceeds of the MILBERG WEISS checks described in Overt Acts
5 Nos. 230-232 and 235 to a company controlled by Cooperman.

6 Overt Act No. 237: On or about February 8, 1990,
7 MILBERG WEISS, BERSHAD, and others caused to be sent to Cooperman
8 Brother-in-Law B a \$35,000 check, with a cover letter signed by
9 BERSHAD falsely describing the payment as Cooperman Brother-in-
10 Law B's "retainer" for his "services with regard to investigation
11 and expert analysis in connection with" a company called "Lone
12 Star Industries."

13 Overt Act No. 238: On or about June 12, 1990,
14 MILBERG WEISS, BERSHAD, and others caused to be sent to Cooperman
15 Brother-in-Law B a \$25,000 check, with a cover letter signed on
16 behalf of BERSHAD falsely describing the entirety of the payment
17 as Cooperman Brother-in-Law B's "payment" for his "activities and
18 report" in connection with a case called "Hyatt Union Square
19 Litigation."

20 Overt Act No. 239: On or about November 16, 1990, in an
21 under oath deposition in Valley National, Cooperman, acting in
22 concert with MILBERG WEISS and others, falsely denied that he had
23 received any payment for serving as a plaintiff in
24 Newhall Land, and concealed his expectation that MILBERG WEISS
25 would pay him for being a class representative in
26 Valley National.

27 Overt Act No. 240: On or about February 6, 1991,
28 MILBERG WEISS, BERSHAD, and others caused to be sent to Cooperman
Brother-in-Law B a \$35,000 check, with a cover letter signed by

1 BERSHAD falsely describing the entirety of the payment as
2 Cooperman Brother-in-Law B's "retainer with regard to acting as
3 an expert as to damages and other aspects concerning" a case
4 called "C.R. Bard Securities Litigation."

5 Overt Act No. 241: On or about February 15, 1991,
6 Cooperman caused Cooperman Brother-in-Law B to pay \$33,250 of the
7 proceeds of the MILBERG WEISS checks described in Overt Acts
8 Nos. 230-232, 235, 237-238, and 240 to a company controlled by
9 Cooperman.

10 Overt Act No. 242: On or about July 3, 1992, Cooperman,
11 acting in concert with MILBERG WEISS and others, subscribed under
12 penalty of perjury to answers to interrogatories in MBNA, which
13 falsely stated that Cooperman had never, directly or indirectly,
14 received payment from MILBERG WEISS.

15 Overt Act No. 243: On or about June 1, 1995, Cooperman
16 caused to be sent to MILBERG WEISS and Partner B a letter
17 stating, among other things, "Re: Infant Formula case - please do
18 ASAP - our share goes to [Cooperman Intermediary A] - he's
19 pressing me for \$ - please send me copy."

20 Overt Act No. 244: On or about July 7, 1995,
21 MILBERG WEISS, BERSHAD, Partner B, and others caused to be sent
22 to Cooperman Intermediary A a \$25,868 check, with a cover letter
23 signed by BERSHAD falsely describing the payment as
24 Cooperman Intermediary A's "share of attorneys' fees with respect
25 to [Infant Formula]."

26 Overt Act No. 245: On or about April 5, 2001,
27 MILBERG WEISS caused to be sent by interstate telefax a letter
28 directing that an additional \$507,662.71 in attorneys' fees in

1
2 ACC/Lincoln Savings and an additional \$572,078.37 in attorneys'
3 fees in Columbia Savings be sent to MILBERG WEISS from the
4 settlement funds in those cases.
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

COUNT TWO

[Defendants BERSHAD, SCHULMAN, and LAZAR]

[18 U.S.C. § 1962(d)]

[Racketeering Conspiracy]

52. The Grand Jury hereby repeats and realleges paragraphs 1 through 39 of this Indictment.

I. THE ENTERPRISE

53. At all times relevant to this Indictment, the New York law firm partnership Milberg Weiss Bershad & Schulman LLP, formerly known as "Milberg Weiss Bershad Hynes & Lerach LLP" and "Milberg Weiss Bershad Specthrie & Lerach" ("Milberg Weiss"), constituted an "enterprise" as defined by Title 18, United States Code, Section 1961(4), which was engaged in, and the activities of which affected, interstate commerce.

54. Defendants DAVID J. BERSHAD and STEVEN G. SCHULMAN were employed by and associated with the enterprise. Defendant SEYMOUR M. LAZAR was associated with the enterprise.

II. PURPOSES OF THE RACKETEERING CONSPIRACY

55. The purposes of the racketeering conspiracy included the following:

a. to provide Milberg Weiss and its partners, including BERSHAD and SCHULMAN, with a stable of persons who were ready, willing, and able to serve, and whom the courts would likely approve to serve, as named plaintiffs representing absent class members and shareholders in the Lawsuits;

b. to enable Milberg Weiss and its partners, including BERSHAD and SCHULMAN, to file and maintain the Lawsuits;

1
2 c. to assist Milberg Weiss and its partners,
3 including BERSHAD and SCHULMAN, in securing lead counsel status
4 in the Lawsuits; and

5 d. to enrich BERSHAD, SCHULMAN, LAZAR, and the other
6 members and associates of the enterprise through the more than
7 approximately \$ 216.1 million dollars of attorneys' fees
8 Milberg Weiss obtained in the Lawsuits and litigation resolving
9 the Lawsuits and the more than approximately \$ 11.3 million
10 dollars in kickbacks that BERSHAD, SCHULMAN, and others paid and
11 caused to be paid to the Paid Plaintiffs.

12 **III. THE RACKETEERING CONSPIRACY**

13 56. Beginning on a date unknown but at least as early as in
14 or about 1981, and continuing through at least in or about 2005,
15 within the Central District of California and elsewhere,
16 defendants BERSHAD, SCHULMAN, and LAZAR, together with other
17 persons known and unknown to the Grand Jury, being persons
18 employed by and associated with the enterprise described in
19 paragraph 53 above, which enterprise engaged in, and the
20 activities of which affected, interstate and foreign commerce,
21 knowingly and intentionally conspired to violate 18 U.S.C.
22 § 1962(c), that is, to conduct and participate, directly and
23 indirectly, in the conduct of the affairs of that enterprise
24 through a pattern of racketeering activity, as that term is
25 defined in Sections 1961(1) and 1961(5) of Title 18, United
26 States Code, consisting of multiple acts indictable under the
27 following provisions of federal law:

28 a. 18 U.S.C. §§ 2, 1503 (obstruction of justice);

- 1
- 2 b. 18 U.S.C. §§ 2, 1952(a)(1), (3) (travel and use of
- 3 facilities in interstate commerce, in furtherance
- 4 of commercial bribery);
- 5 c. 18 U.S.C. §§ 2, 1341, 1346 (mail fraud involving
- 6 the deprivation of money and property and honest
- 7 services);
- 8 d. 18 U.S.C. §§ 2, 1343, 1346 (wire fraud involving
- 9 the deprivation of money and property and honest
- 10 services);
- 11 e. 18 U.S.C. §§ 2, 201(c)(2) (illegal witness
- 12 payments); and
- 13 f. 18 U.S.C. §§ 2, 1956 (money laundering).

14 57. It was a further part of the conspiracy that each

15 defendant agreed that a conspirator would commit at least two

16 acts of racketeering activity in the conduct of the affairs of

17 the enterprise.

18 **IV. MANNER AND MEANS OF THE CONSPIRACY**

19 58. The object of the conspiracy was carried out in the

20 manner and by the means described in paragraphs 42 through 50

21 above, which the Grand Jury incorporates herein by reference.

22

23

24

25

26

27

28

COUNTS THREE THROUGH FIVE

[Defendant LAZAR]

[18 U.S.C. §§ 1341, 1346, 2]

[Mail Fraud; Aiding and Abetting; and Causing An Act to be Done]

59. The Grand Jury hereby repeats and realleges paragraphs 1 through 34 and 42 through 50 of this Indictment.

60. Beginning on a date unknown to the Grand Jury but at least as early as in or about 1981, and continuing until at least in or about 2004, within the Central District of California and elsewhere, defendant SEYMOUR M. LAZAR, together with Milberg Weiss, Bershad, Schulman, and others known and unknown to the Grand Jury, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud absent class members and shareholders in the Lazar Lawsuits as to a material matter, by depriving these victims of the honest services of Milberg Weiss, lawyers in Milberg Weiss, and LAZAR.

61. On or about the following dates, within the Central District of California and elsewhere, for the purpose of executing and attempting to execute the above-described scheme to defraud, defendant LAZAR, aided and abetted by Milberg Weiss, Bershad, and others known and unknown to the Grand Jury, caused the following items to be placed in an authorized depository for mail matter and to be sent and delivered by the United States Postal Service, and to be deposited to be sent and delivered by private and commercial carrier, according to the directions thereon:

COUNT	DATE	ITEM
THREE	05/25/00	\$125,000 check from Milberg Weiss in New York, New York, to the Palm Springs Law Firm in Rancho Mirage, California
FOUR	06/15/00	\$30,564.03 check from the Palm Springs Law Firm in Indian Wells, California, to the Selzer Law Firm in Palm Springs, California
FIVE	07/24/00	\$18,975 check from the Palm Springs Law Firm in Indian Wells, California, to the Selzer Law Firm in Palm Springs, California

1

COUNTS SIX THROUGH EIGHT

2

[Defendants MILBERG WEISS, BERSHAD, SCHULMAN and LAZAR]

3

[18 U.S.C. §§ 1341, 1346, 2]

4

[Mail Fraud; Aiding and Abetting; and Causing An Act to be Done]

5

6

62. The Grand Jury hereby repeats and realleges paragraphs 1 through 34 and 42 through 50 of this Indictment.

7

8

9

63. Beginning on a date unknown to the Grand Jury but at least as early as in or about 1981, and continuing until at least in or about 2004, within the Central District of California and

10

elsewhere, defendants MILBERG WEISS, DAVID J. BERSHAD,

11

STEVEN G. SCHULMAN, and SEYMOUR M. LAZAR, together with others

12

known and unknown to the Grand Jury, knowingly and with intent to

13

defraud, devised, participated in, and executed a scheme to

14

defraud absent class members and shareholders in the

15

Lazar Lawsuits as to a material matter, by depriving these

16

victims of money and property and of the honest services of

17

MILBERG WEISS, lawyers in MILBERG WEISS, and LAZAR, and to obtain

18

money and property by means of material false and fraudulent

19

pretenses, representations, and promises.

20

64. On or about the following dates, within the Central

21

District of California and elsewhere, for the purpose of

22

executing and attempting to execute the above-described scheme to

23

defraud, defendants MILBERG WEISS, BERSHAD, SCHULMAN, LAZAR, and

24

others known and unknown to the Grand Jury, aided and abetted by

25

each other and by others known and unknown to the Grand Jury,

26

caused the following items to be placed in an authorized

27

depository for mail matter and to be sent and delivered by the

28

United States Postal Service, and to be deposited to be sent and

delivered by private and commercial carrier, according to the
directions thereon:

COUNT	DATE	ITEM
SIX	12/28/00	\$50,000 check from MILBERG WEISS in New York, New York, to the Palm Springs Law Firm in Indian Wells, California
SEVEN	06/18/01	Letter from BERSHAD in New York City to the Palm Springs Law Firm in Palm Springs, California
EIGHT	07/09/01	\$133,000 check from MILBERG WEISS in New York, New York, to the Palm Springs Law Firm in Indian Wells, California

COUNT NINE

[Defendants MILBERG WEISS, BERSHAD, LAZAR, and SELZER]

[18 U.S.C. § 1956(h)]

[Money Laundering Conspiracy]

65. The Grand Jury hereby repeats and realleges paragraphs 1, 2, 5, and 6 of this Indictment.

I. INTRODUCTION

66. As used in this Count Nine, the term "Specified Unlawful Activity" includes all acts and activities described in Counts One and Three through Eight concerning defendant LAZAR that are indictable as: (a) obstruction of justice, in violation of Title 18, United States Code, Section 1503; (b) mail fraud involving deprivation of honest services, in violation of Title 18, United States Code, Sections 1341 and 1346; (c) wire fraud involving deprivation of honest services, in violation of Title 18, United States Code, Sections 1343 and 1346; (d) mail fraud involving a scheme to obtain money and property in violation of Title 18, United States Code, Section 1341; (e) wire fraud involving a scheme to obtain money and property in violation of Title 18, United States Code, Section 1343; and (f) illegal witness payments, in violation of Title 18, United States Code, Section 201(c)(2).

67. As a result of the Specified Unlawful Activity, MILBERG WEISS was awarded, obtained, and retained ownership and control of certain monies and property, including more than \$44 million in attorneys' fees that were awarded to MILBERG WEISS in the Lazar Lawsuits, which became the proceeds of the Specified

1
2 Unlawful Activity no later than upon receipt of these funds by
3 MILBERG WEISS.

4 **II. THE OBJECTS OF THE MONEY LAUNDERING CONSPIRACY**

5 68. Beginning on or about October 28, 1992 (the date on
6 which Title 18, United States Code, Section 1956(h) was enacted),
7 and continuing until at least in or about 2004, in the Central
8 District of California and elsewhere, defendants MILBERG WEISS,
9 DAVID J. BERSHAD, SEYMOUR M. LAZAR, and PAUL T. SELZER, together
10 with others known and unknown to the Grand Jury, knowingly
11 combined, conspired, and agreed to commit the following money
12 laundering offenses against the United States:

13 a. To commit concealment money laundering by
14 knowingly conducting, willfully causing others to conduct, and
15 attempting to conduct and to cause others to conduct financial
16 transactions involving the proceeds of Specified Unlawful
17 Activity, knowing that the property involved in the transactions
18 represented the proceeds of some form of unlawful activity, and
19 knowing that the transactions were designed, in whole or in part,
20 to conceal or disguise the nature, source, ownership, or control
21 of the proceeds of Specified Unlawful Activity, in violation of
22 Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2(b);
23 and

24 b. To commit promotional money laundering by
25 knowingly conducting, willfully causing others to conduct, and
26 attempting to conduct and to cause others to conduct financial
27 transactions involving the proceeds of Specified Unlawful
28 Activity, knowing that the property involved in the transactions
represented the proceeds of some form of unlawful activity, with

1 the intent to promote the carrying on of Specified Unlawful
2 Activity, in violation of Title 18, United States Code,
3 Section 1956(a) (1) (A) (i) and 2 (b) .

4 **III. THE MANNER AND MEANS OF THE MONEY LAUNDERING CONSPIRACY**

5 69. The objects of the money laundering conspiracy were
6 carried out, in part, in the manner and by the means described
7 below.

8 70. As described in Count One of this Indictment,
9 MILBERG WEISS, BERSHAD, and others known and unknown to the
10 Grand Jury paid and caused to be paid secret and illegal
11 kickbacks to LAZAR through SELZER and the other intermediary law
12 firms and lawyers.

13 71. As further described in Count One of this Indictment,
14 SELZER and the other intermediary law firms and lawyers used and
15 applied the kickback payments at LAZAR's direction and for his
16 benefit, including to: (a) satisfy legal fees and expenses that
17 LAZAR owed to SELZER and the other intermediary law firms and
18 lawyers, for work related to LAZAR's real estate holdings and
19 personal matters; (b) pay real estate appraisers, engineers,
20 surveyors, and others who performed work for LAZAR relating to
21 his real estate holdings; (c) pay permitting fees relating to
22 LAZAR's real estate holdings; (d) make political contributions on
23 LAZAR's behalf; (e) make and maintain investments for the benefit
24 of LAZAR; (f) make payments to and for the benefit of one of
25 LAZAR's sons; and (g) make payments directly to LAZAR.

26 72. These transactions concealed and disguised the nature,
27 source, ownership, and control of the proceeds of Specified
28 Unlawful Activity by, among other means: (a) concealing and

1
2 disguising the payments from MILBERG WEISS to SELZER and the
3 other of LAZAR's intermediary law firms and lawyers as fees paid
4 to and for the benefit of the law firms and lawyers, when in fact
5 they were secret and illegal kickback payments to and for the
6 benefit of LAZAR; and (b) concealing and disguising the payments
7 by SELZER and the other of LAZAR's intermediary law firms and
8 lawyers to and for the benefit of LAZAR as payments involving
9 legitimately obtained proceeds of LAZAR, when in fact they were
10 secret and illegal kickback payments from MILBERG WEISS.

11 73. These transactions promoted the Specified Unlawful
12 Activity by, among other means: (a) inducing and rewarding LAZAR
13 for serving and causing his wife to serve as named plaintiffs in
14 the Lazar Lawsuits; (b) causing LAZAR to make false statements,
15 conceal material facts, and engage in other dishonest conduct in
16 the Lazar Lawsuits in order to maintain the secrecy of his
17 illegal kickback arrangement with MILBERG WEISS; and (c) ensuring
18 that LAZAR would serve and cause his wife to serve as named
19 plaintiffs in future Lazar Lawsuits to be brought by
20 MILBERG WEISS.
21
22
23
24
25
26
27
28

COUNTS TEN THROUGH THIRTEEN

[Defendants LAZAR and SELZER]

[18 U.S.C. §§ 1956(a)(1)(B)(i) and 2]

[Concealment Money Laundering; Aiding and Abetting
and Causing An Act to be Done]

74. The Grand Jury hereby repeats and realleges paragraphs 1, 2, 5, 6, 66, 67, and 69 through 73 of this Indictment.

75. On or about the dates listed below, within the Central District of California and elsewhere, defendants SEYMOUR M. LAZAR and PAUL T. SELZER, aided and abetted by each other and by others known and unknown to the Grand Jury, conducted and willfully caused others to conduct the following financial transactions affecting interstate commerce, which transactions in fact involved the proceeds of Specified Unlawful Activity (as defined in paragraph 66 in Count Nine above), knowing that the property involved in the transactions represented the proceeds of some form of unlawful activity, and knowing that the transactions were designed, in whole or in part, to conceal and disguise the nature, source, ownership, and control of the proceeds of Specified Unlawful Activity:

COUNT	DATE	TRANSACTION
TEN	06/22/00	transfer of approximately \$30,564 from the Palm Springs Law Firm's business checking account (Bank of America account # XXXXX-X0990) to the Selzer Law Firm's business checking account (Union Bank of California account #XXXXXX4299)

COUNT	DATE	TRANSACTION
ELEVEN	06/26/00	transfer of approximately \$5,000 from the Selzer Law Firm's client trust account (Union Bank of California account #XXXXX-X0884) to LAZAR's personal trust account (Bank of America account # XXXXX-X8703, in the name "Paul T. Selzer, FBO Seymour Lazar")
TWELVE	07/25/00	transfer of approximately \$18,975 from the Palm Springs Law Firm's business checking account (Bank of America account #XXXXX-X0990) to the Selzer Law Firm's client trust account (Union Bank of California account #XXXXXX0884)
THIRTEEN	08/10/00	transfer of approximately \$19,100 from the Selzer Law Firm's client trust account (Union Bank of California account #XXXXXX0884) to LAZAR's personal trust account (Bank of America account # XXXXX-X8703, in the name "Paul T. Selzer, FBO Seymour Lazar")

COUNTS FOURTEEN THROUGH SIXTEEN

[Defendant LAZAR]

[26 U.S.C. § 7206(1)]

[Subscribing to False Tax Return]

76. The Grand Jury hereby repeats and realleges paragraphs 1 through 34 and 42 through 50 of this Indictment.

77. On or about the following dates, in Riverside County, within the Central District of California, defendant SEYMOUR M. LAZAR willfully made and subscribed a Personal Income Tax Return Form 1040 for the tax years identified below, which contained and was verified by a written declaration that it was made under the penalties of perjury, and which LAZAR knew and believed was not true and correct as to a material matter, in that it failed to report as income kickbacks paid during the year by Milberg Weiss for LAZAR's benefit, in the following amounts:

COUNT	DATE	TAX YEAR	AMOUNT OF KICKBACKS FROM MILBERG WEISS
FOURTEEN	10/17/00	1999	\$ 125,000
FIFTEEN	10/12/01	2000	\$ 175,000
SIXTEEN	05/21/03	2001	\$ 133,000

COUNT SEVENTEEN

[Defendant LAZAR]

[18 U.S.C. §§ 1503, 2]

[Obstruction of Justice; Causing An Act to be Done]

78. The Grand Jury hereby repeats and realleges paragraphs 1 through 39 and 42 through 50 of this Indictment.

79. At all times relevant to this Count Seventeen, there was pending in the Central District of California a federal grand jury proceeding involving allegations that Milberg Weiss had paid secret and illegal kickbacks to named plaintiffs in class actions and shareholder derivative actions, including LAZAR (the "Grand Jury Proceeding").

80. On or about January 9, 2002, LAZAR was personally served at his residence in Palm Springs, California, with a grand jury subpoena (the "Subpoena"). The Subpoena required LAZAR to produce to the Grand Jury certain specified documents relating to the Grand Jury Proceeding that were in his possession, custody, or control, which, as defined and instructed by the Subpoena, included documents that were in the possession of LAZAR's accountant and tax return preparer.

81. In or about February 2002, within the Central District of California, defendant SEYMOUR M. LAZAR corruptly influenced, obstructed, and impeded, and endeavored to influence, obstruct, and impede, the due administration of justice in the Grand Jury Proceeding by directing his accountant and tax return preparer to destroy certain documents relating to LAZAR, including documents that LAZAR knew: (a) were responsive to the Subpoena; and (b) were and would become relevant to the Grand Jury Proceeding.

COUNT EIGHTEEN

[Defendants MILBERG WEISS, BERSHAD, SCHULMAN, and LAZAR]

[28 U.S.C. § 2461(c), 18 U.S.C. § 981(a)(1)(C),

and 21 U.S.C. § 853]

[Criminal Forfeiture]

82. The allegations contained in Count One of this Indictment are hereby repeated, realleged, and incorporated by reference herein as though fully set forth at length for the purpose of alleging forfeiture pursuant to the provisions of Title 28, United States Code, Section 2461(c), Title 18, United States Code, Section 981(a)(1)(C), and Title 21, United States Code, Section 853.

83. Pursuant to Title 28, United States Code, Section 2461(c), Title 18, United States Code, Section 981(a)(1)(C), and Title 21, United States Code, Section 853, each of defendants MILBERG WEISS, DAVID J. BERSHAD, STEVEN G. SCHULMAN, and SEYMOUR M. LAZAR convicted under Count One of this Indictment shall forfeit to the United States any and all property, real or personal, which constitutes or is derived from proceeds traceable to such offense, including the following:

a. with respect to MILBERG WEISS, the more than approximately \$ 216.1 million in attorneys' fees obtained by MILBERG WEISS in the Lawsuits and litigation resolving the Lawsuits (the "tainted attorneys' fees");

b. with respect to BERSHAD, SCHULMAN, and LAZAR, the portion of the tainted attorneys' fees that each of these defendants received, namely:

1
2 i. the more than approximately \$ 26.6 million in
3 tainted attorneys' fees that BERSHAD received as a result of his
4 partnership interest in MILBERG WEISS;

5 ii. the more than approximately \$ 9.5 million in
6 tainted attorneys' fees that SCHULMAN received as a result of his
7 partnership interest in MILBERG WEISS; and

8 iii. the more than approximately \$ 1.2 million
9 that LAZAR received as kickback payments derived from the tainted
10 attorneys' fees;

11 c. A sum of money equal to the total amount of
12 proceeds traceable to such offense, which sum for each defendant
13 will be up to the following approximate amount:

<u>Defendant</u>	<u>Amount</u>
MILBERG WEISS . . .	\$ 216.1 million
BERSHAD	\$ 216.1 million
SCHULMAN.	\$ 216.1 million
LAZAR	\$ 57.7 million

18 84. Pursuant to Title 21, United States Code,
19 Section 853(p), as incorporated by Title 28, United States Code,
20 Section 2461(c), each of defendants MILBERG WEISS, BERSHAD,
21 SCHULMAN, and LAZAR, if so convicted, shall forfeit substitute
22 property, up to the value of the amount described in the
23 preceding paragraph, if, by any act or omission of the defendant,
24 the property described therein, or any portion thereof,
25 (a) cannot be located upon the exercise of due diligence; (b) has
26 been transferred or sold to, or deposited with, a third party;
27 (c) has been placed beyond the jurisdiction of the court; (d) has
28 been substantially diminished in value; or (e) has been

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

commingled with other property which cannot be divided without
difficulty.

COUNT NINETEEN

[Defendants BERSHAD, SCHULMAN, and LAZAR]

[18 U.S.C. § 1963]

[Criminal Forfeiture]

85. The allegations contained in Count Two of this Indictment are hereby repeated, realleged, and incorporated by reference herein as though fully set forth at length for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 1963. Pursuant to Federal Rule of Criminal Procedure 32.2, notice is hereby given to the defendants that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Section 1963 in the event of any defendant's conviction under Count Two of this Indictment.

86. The defendants, DAVID J. BERSHAD, STEVEN G. SCHULMAN, and SEYMOUR M. LAZAR:

a. have acquired and maintained interests in violation of Title 18, United States Code, Section 1962, which interests are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1);

b. have an interest in, security of, claims against, and property and contractual rights that afford a source of influence over, the enterprise named and described herein, which the defendants established, operated, controlled, conducted, and participated in the conduct of, in violation of Title 18, United States Code, Section 1962, which interests, securities, claims, and rights are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(2); and

1
2 c. have property constituting and derived from
3 proceeds obtained, directly and indirectly, from racketeering
4 activity, in violation of Title 18, United States Code, Section
5 1962, which property is subject to forfeiture to the United
6 States pursuant to Title 18, United States Code, Section
7 1963(a)(3).

8 87. The properties of the defendants subject to forfeiture
9 to the United States pursuant to Title 18, United States Code,
10 Section 1963(a)(1), (a)(2), and (a)(3), include but are not
11 limited to:

12 a. any and all interests any of the defendants
13 BERSHAD and SCHULMAN has in Milberg Weiss.

14 b. defendant BERSHAD's share of the more than
15 approximately \$ 216.1 million in attorneys' fees obtained by
16 Milberg Weiss in the Lawsuits and litigation resolving the
17 Lawsuits, which share exceeds approximately \$ 26.6 million;

18 c. defendant SCHULMAN's share of the more than
19 approximately \$ 216.1 million in attorneys' fees obtained by
20 Milberg Weiss in the Lawsuits and litigation resolving the
21 Lawsuits, which share exceeds approximately \$ 9.5 million; and

22 d. with respect to LAZAR, the more than \$2.4 million
23 in illegal kickback payments he acquired from Milberg Weiss; and

24 e. a sum of money equal to the total amount of
25 proceeds the defendants derived from proceeds obtained, directly
26 and indirectly, from racketeering activity, in the minimum amount
27 of \$38.5 million.
28

1
2 88. If any of the property described in the preceding
3 paragraph as being subject to forfeiture, as a result of any act
4 or omission of any defendant:

- 5 a. cannot be located upon the exercise of due
6 diligence;
7 b. has been transferred or sold to, or deposited
8 with, a third party;
9 c. has been placed beyond the jurisdiction of the
10 court;
11 d. has been substantially diminished in value; or
12 e. has been commingled with other property which
13 cannot be divided without difficulty;

14 it is the intention of the United States, pursuant to Title 18,
15 United States Code, Section 1963(m), to seek forfeiture of any
16 other property of said defendant up to the value of the
17 forfeitable property.

18 89. The above-named defendants, MILBERG WEISS, BERSHAD,
19 SCHULMAN, and LAZAR, and each of them, are jointly and severally
20 liable for the forfeiture obligations as alleged above.
21
22
23
24
25
26
27
28

COUNT TWENTY

[MILBERG WEISS, BERSHAD, LAZAR, SELZER]

[18 U.S.C. § 982(a)(1) and 21 U.S.C. § 853]

[Criminal Forfeiture]

90. The allegations contained in Count Nine of this Indictment are hereby repeated, realleged, and incorporated by reference herein as though fully set forth at length for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 982, and Title 21, United States Code, Section 853.

91. Pursuant to Title 18, United States Code, Section 982(a)(1), each of defendants MILBERG WEISS, DAVID J. BERSHAD, SEYMOUR M. LAZAR, and PAUL T. SELZER convicted under Count Nine of this Indictment shall forfeit to the United States the following property:

a. All right, title, and interest in any and all property involved in each offense in violation of Title 18, United States Code, Section 1956, or conspiracy to commit such offense, for which the defendant is convicted, and all property traceable to such property, including the following:

(1) all money or other property that was the subject of each transaction in violation of Title 18, United States Code, Sections 1956(h) and/or 1956(a)(1)(A)(I);

(2) all commissions, fees, and other property constituting proceeds obtained as a result of those violations;

(3) all property used in any manner or part to commit or to facilitate the commission of those violations; and

1
2 (4) all property traceable to money or property
3 described in this paragraph 91.a.(1) to 91.a.(3).

4 b. A sum of money equal to the total amount of money
5 involved in each offense in violation of Title 18, United States
6 Code, Section 1956, or conspiracy to commit such offense, for
7 which the defendant is convicted, which sum for each defendant
8 will be up to at least \$ 883,463.

9 92. If, as a result of any act or omission by defendants
10 MILBERG WEISS, BERSHAD, LAZAR, or SELZER, any of the foregoing
11 money or property (a) cannot be located upon the exercise of due
12 diligence; (b) has been transferred or sold to, or deposited
13 with, a third party; (c) has been placed beyond the jurisdiction
14 of the court; (d) has been substantially diminished in value; or
15 (e) has been commingled with other property that cannot be
16 subdivided without difficulty, then any other property or

17 / / /

18 / / /

19 / / /

1
2 interests of that defendant, up to the value of the money and
3 property described in the preceding paragraph of this Indictment,
4 shall be subject to forfeiture to the United States.

5
6 A TRUE BILL

7
8
9
10 Foreperson

11 DEBRA WONG YANG
12 United States Attorney

13 GEORGE S. CARDONA
14 Chief Assistant United States Attorney

15 THOMAS P. O'BRIEN
16 Assistant United States Attorney
17 Chief, Criminal Division

18 DOUGLAS A. AXEL
19 Assistant United States Attorney
20 Deputy Chief, Major Frauds Section

21 RICHARD E. ROBINSON
22 ROBERT J. McGAHAN
23 Assistant United States Attorneys
24 Major Frauds Section
25
26
27
28